

Los Angeles Lender's Update

A Newsletter from SBA's Los Angeles District Office

Volume 1, Issue 2

LADO Plans Expansion of Community Express Program

Calendar of Events

- There will be a Community Express Loan Workshop for prospective borrowers on Wednesday, October 4, 2006 from 9:00 am to 11:00 am at 330 North Brand Blvd., Glendale CA 91203. Please contact Ken Crawford at (818) 552-3244 for more information.
- A workshop entitled "Business Secrets on the Road to Opportunities" will be held at the Hilton Conference Center, One LMU Drive, Los Angeles CA 90045 on Thursday morning, October 26, 2006 from 7:15 am to 11:15 am. Please contact Carmen Navarro at (626) 458-3566 for more information.

The Los Angeles District Office has actively marketed the SBAExpress loan program for the last several years in order to increase the types of loans that our participating lenders provide to the small business community. This effort has proven very successful. The number of SBAExpress loans guaranteed by our office reached 2,985 or 67% of the total 7(a) business loans in our last fiscal year that ended September 30, 2005. On an annualized basis we are projecting to guarantee approximately 3,500 SBAExpress or over 70% of the total 7(a) business loans this year.

In July of 2002, SBAExpress was revised and enhanced to significantly increase the number of small loans approved by the Agency and to increase the number of lenders participating in the program.

The program was developed to: (1) increase the Agency's effectiveness in delivering financial assistance to the Nation's small business community; (2) increase the efficiency and reduce the costs of processing SBA loans for both the Agency and its lending partners; (3) reduce required SBA paperwork and procedures to further streamline the

Agency's loan approval process; and (4) encourage more lenders to participate in SBA loan programs.

In addition to the SBAExpress loan program, the Agency offers lenders the opportunity to participate in the Community Express Program. The CommunityExpress program is similar to the Agency's SBAExpress and conforms generally to its policies and procedures, but there are some important differences, including the requirement that lenders provide technical assistance.

Under the program, eligible

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E-Tran Eases SBA Application Process

The SBA has expanded a program that enables lenders to submit loan application over the internet. Initially, access to the program was limited to a select group of lenders on a pilot basis, but in 2004 the program was expanded to allow lenders

to submit all PLP and SBAExpress loans through the expedited application process.

What is E-Tran?

E-Tran is an SBA loan guaranty origination solution that leverages best-practice Internet

technology to reduce the turnaround time on loan guaranty requests and provide the agency with high quality, timely data to support the management and oversight of its portfolio. E-Tran is one component of an overall

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LADO Plans Expansion of Community Express Program (con't)

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lenders, which must be PLP lenders in good standing or selected non-PLP lenders in mostly rural districts, are authorized to adopt SBAExpress' streamlined and expedited loan processing and approval procedures to address pre-designated geographic areas, mostly LMI areas and women, veterans, and minorities. Like SBAExpress, CommunityExpress participants are allowed to use, to the maximum extent possible, their own loan analyses, loan procedures, and loan documentation. This includes the lenders' application forms, internal

credit memoranda, notes, collateral documents, servicing documentation, and liquidation documentation. Participants must, however, continue to follow their established and proven internal credit review and analysis procedures for loans of similar size and type.

However, due to the unique problems and challenges faced by the small businesses targeted under this program, CommunityExpress includes a technical assistance component. Borrowers must receive pre- and post-loan closing technical and

management assistance from local non-profit providers and/or from participating lenders, with that assistance coordinated, arranged and, when necessary, paid for by CommunityExpress lenders. CommunityExpress lenders may also consider this technical assistance as a collateral enhancement.

The Los Angeles District Office has five lenders that are approved to participate in the CommunityExpress program, but we believe the program is underutilized given the many benefits it offers to lenders and borrowers.

Chief of Lender Relations Rick Kresser indicated that "LADO is preparing to market this program on the same scale as we have previously marketed SBAExpress and believe CommunityExpress has the potential to be our area's next high growth lending program."

If you would like additional information on the CommunityExpress program or are interested in becoming a CommunityExpress lender you can contact Rick Kresser at (818) 552-3228.

E-Tran Eases SBA Application Process (con't)

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strategy to provide increased efficiency and decreased costs in the loan guaranty origination process.

SBA has worked with numerous lenders over a two year period to tailor this application for the lending community. E-Tran's flexibility allows lenders to determine which method of access is best for them. E-Tran allows access through a number of channels, including a web page

where lenders can enter loan information for single loans. E-Tran's secure Web site is also capable of accepting multiple applications simultaneously via an XML (Extensible Markup Language) file transfer. The technical specifications for E-Tran were designed so that any bank will be able to access this system regardless of their level of technical expertise.

Benefits of E-Tran

Some of the benefits of E-Tran include:

- Instant Assignment of SBA number (decreased turnaround time and convenience),

- Ability to respond in the market place and close loans faster,

- Automated report features,

- Instant Validation provides comfort that there are no errors in data entry,

- Confidence that eligibility compliance is being maintained due to system,

Automatic calculation of fees,

Access to technical support (very responsive) Draft creation and storage capability,

Overall programming very "user-friendly" and easy to train.

To get started, lenders should contact:
Stephen Kucharski– (202) 205-7551 or Stephen.kucharski@sba.gov
Glenn Hannon– (202)205-7122 or Glenn.Hannon@sba.gov



Los Angeles District Office
3rd Quarter Lender Rankings
10/1/05—6/30/06

Top Three SBA Lenders

<u>No. 1 Lender</u>				<u>No. 2 Lender</u>				<u>No. 3 Lender</u>			
Bank of America, N.A.				Wells Fargo Bank				Innovative Bank			
942				303				223			
\$32,339,300				\$29,970,200				\$7,182,000			
1	Bank of America, N.A.	94	\$ 32,339,300	35	Shinhan Bank America	15	\$ 4,691,500	69	Metropacific Bank	4	\$
2	Wells Fargo Bank	30	\$ 29,970,200	36	Temecula Valley Bank	14	\$ 10,450,300	70	Montecito Bank &	4	\$ 962,000
3	Innovative Bank	22	\$ 7,182,000	37	Southwest Community Bank	14	\$ 8,215,000	71	Spectrum Bank	4	\$ 771,700
4	Capital One, FSB	19	\$ 8,140,000	38	Telesis Community Credit	14	\$ 4,144,400	72	Bank of the West	4	\$ 690,000
5	Washington Mutual Bank	19	\$ 5,353,400	39	Lehman Brothers Bank, F.S.	13	\$ 11,099,500	73	Landmark CDC	3	\$ 2,841,000
6	CDC Small Bus. Finance	18	\$ 140,009,000	40	Business Finance Center	12	\$ 7,907,000	74	Santa Clara Valley	3	\$ 1,853,500
7	U.S. Bank, N.A.	17	\$ 38,616,900	41	South County Bank, N.A.	12	\$ 5,154,500	75	American Continental	3	\$ 1,490,800
8	California Bank & Trust	14	\$ 16,568,500	42	Community West Bank N.A.	11	\$ 2,823,800	76	Coast National Bank	3	\$ 1,255,000
9	Citibank (West), F.S.B.	13	\$ 6,390,000	43	Business Loan Center, LLC	11	\$ 390,000	77	Vision One Credit Un-	3	\$ 1,090,000
10	Banco Popular, North	11	\$ 25,560,200	44	Commonwealth Business	10	\$ 6,522,000	78	Newtek Small Bus.	3	\$ 747,000
11	EDF Resource Capital,	98	\$ 68,765,000	45	Alliance Bank	10	\$ 4,476,800	79	First National Bank	3	\$ 568,200
12	Wilshire State Bank	73	\$ 32,254,200	46	Gateway Business Bank	9	\$ 5,592,000	80	Manufacturers Bank	3	\$ 567,000
13	Hanmi Bank	64	\$ 24,694,700	47	Bay Cities National Bank	9	\$ 574,000	81	Certified Federal	3	\$ 551,000
14	Union Bank of California,	58	\$ 1,692,500	48	Inland Community Bank, N.	8	\$ 1,803,800	82	Professional Business	2	\$ 2,727,000
15	Center Bank	53	\$ 16,883,200	49	Excel National Bank	7	\$ 3,209,600	83	Cathay Bank	2	\$ 2,583,000
16	National Bank of Califor-	46	\$ 25,945,600	50	First Private Bank & Trust	7	\$ 2,652,500	84	Greater Sacramento	2	\$ 2,228,000
17	Mirae Bank	41	\$ 16,631,500	51	East West Bank	7	\$ 2,640,000	85	UPS Capital Business	2	\$ 2,047,000
18	Saehan Bank	41	\$ 12,038,000	52	Pacific Premier Bank	7	\$ 2,415,000	86	Premier Comm. Bank,	2	\$ 1,516,500
19	Uniti Bank	36	\$ 14,910,600	53	Merchants Bank - California	7	\$ 2,410,000	87	United Pacific Bank	2	\$ 1,179,000
20	United Commercial Bank	35	\$ 11,156,500	54	Coastal Business Finance	6	\$ 4,813,000	88	Busi Community Capi-	2	\$ 809,900
21	First Standard Bank	32	\$ 10,900,000	55	Vineyard Bank	6	\$ 2,665,100	89	American Security	2	\$ 762,000
22	Pacific City Bank	30	\$ 17,113,200	56	Community Bank	6	\$ 2,360,000	90	Far East National	2	\$ 413,000
23	Mid-State Bank & Trust	29	\$ 3,009,400	57	United Central Bank	5	\$ 3,870,000	91	Mission Oaks National	1	\$ 1,192,500
24	Mortgage Cap. Devel	28	\$ 25,049,000	58	Community National Bank	5	\$ 3,645,600	92	Enterprise Funding	1	\$ 1,079,000
25	Nara Bank	28	\$ 14,941,000	59	Wachovia Small Business	5	\$ 3,611,000	93	Bank of Las Vegas	1	\$ 1,062,400
26	California Statewide	24	\$ 14,698,000	60	Interbusiness Bank, N.A.	5	\$ 2,050,000	94	World Trade Finance	1	\$ 750,000
27	CIT Small Business	24	\$ 9,055,600	61	Mission Community Bank, N.	5	\$ 1,805,000	95	La Jolla Bank, FSB	1	\$ 594,000
28	Advantage CDC	23	\$ 18,275,000	62	City National Bank	5	\$ 1,632,000	96	BancFirst	1	\$ 440,000
29	Comerica Bank - Calif.	23	\$ 10,612,000	63	Pacific Western National	5	\$ 1,152,000	97	California Coastal	1	\$ 377,000
30	Southland Economic	22	\$ 14,145,000	64	Mission Valley Bank	5	\$ 635,000	98	Bridge Bank	1	\$ 368,000
31	HSBC Bank USA	22	\$ 1,348,000	65	Small Business Loan Source	4	\$ 2,067,000	99	First Commerce Bank	1	\$ 350,000
32	Beach Business Bank	21	\$ 8,301,300	66	First California Bank	4	\$ 1,685,000	100	Commercewest Bank,	1	\$ 250,000
33	California Oaks State	21	\$ 2,277,000	67	1st Centennial Bank	4	\$ 1,420,700	101	Stearns Bank, N.A.	1	\$ 202,400
34	International City Bank	18	\$ 4,896,500	68	PFF Bank & Trust	4	\$ 1,150,000		Total	3844	\$ 848,339,300